

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 180**

Introduced by Linehan, 39.

Read first time January 08, 2021

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 77-4603, Reissue Revised Statutes of Nebraska, and section 77-4602,  
3 Revised Statutes Cumulative Supplement, 2020; to change provisions  
4 relating to certain public statements of the Tax Commissioner and  
5 certain estimates of General Fund net receipts; and to repeal the  
6 original sections.  
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-4602, Revised Statutes Cumulative Supplement,  
2 2020, is amended to read:

3 77-4602 (1) Within fifteen days after the end of each month, the Tax  
4 Commissioner shall provide a public statement of actual General Fund net  
5 receipts, ~~and~~ a comparison of such actual net receipts to the monthly  
6 estimated net receipts from the most recent forecast provided by the  
7 Nebraska Economic Forecasting Advisory Board pursuant to section  
8 77-27,158, and a comparison of such actual net receipts to the monthly  
9 actual net receipts for the same month of the previous fiscal year  
10 ~~estimate certified pursuant to section 77-4601.~~

11 (2) Within fifteen days after the end of each fiscal year, the  
12 public statement shall also include (a) a summary of actual General Fund  
13 net receipts and estimated General Fund net receipts for the fiscal year  
14 as certified pursuant to sections 77-4601 and 77-4603 and (b) a  
15 comparison of the actual General Fund net receipts for the fiscal year to  
16 the actual General Fund net receipts for the previous fiscal year.

17 (3)(a) Within fifteen days after the end of fiscal year 2020-21 and  
18 each fiscal year thereafter through fiscal year 2022-23, the Tax  
19 Commissioner shall determine the balance of the Cash Reserve Fund.

20 (b) If the balance of the Cash Reserve Fund is less than five  
21 hundred million dollars:

22 (i) The Tax Commissioner shall determine:

23 (A) Actual General Fund net receipts for the most recently completed  
24 fiscal year minus estimated General Fund net receipts for such fiscal  
25 year as certified pursuant to sections 77-4601 and 77-4603; and

26 (B) Actual General Fund net receipts for the most recently completed  
27 fiscal year minus one hundred three and one-half percent of actual  
28 General Fund net receipts for the prior fiscal year.

29 (ii) If the amounts calculated under subdivisions (3)(b)(i)(A) and  
30 (3)(b)(i)(B) of this section are both positive numbers, the Tax  
31 Commissioner shall certify (A) the amount determined under subdivision

1 (3)(b)(i)(A) of this section and (B) fifty percent of the amount  
2 determined under subdivision (3)(b)(i)(B) of this section to the State  
3 Treasurer. The State Treasurer shall transfer the difference between the  
4 two certified amounts to the Cash Reserve Fund.

5 (iii) If the amount calculated under subdivision (3)(b)(i)(A) of  
6 this section is a positive number but the amount calculated under  
7 subdivision (3)(b)(i)(B) of this section is a negative number, the Tax  
8 Commissioner shall certify the amount determined under subdivision (3)(b)  
9 (i)(A) of this section to the State Treasurer and the State Treasurer  
10 shall transfer such certified amount to the Cash Reserve Fund.

11 (c) If the balance of the Cash Reserve Fund is five hundred million  
12 dollars or more:

13 (i) The Tax Commissioner shall determine:

14 (A) Actual General Fund net receipts for the most recently completed  
15 fiscal year minus estimated General Fund net receipts for such fiscal  
16 year as certified pursuant to sections 77-4601 and 77-4603; and

17 (B) Actual General Fund net receipts for the most recently completed  
18 fiscal year minus one hundred three and one-half percent of actual  
19 General Fund net receipts for the prior fiscal year.

20 (ii) If the amounts calculated under subdivisions (3)(c)(i)(A) and  
21 (3)(c)(i)(B) of this section are both positive numbers, the Tax  
22 Commissioner shall certify (A) the amount determined under subdivision  
23 (3)(c)(i)(A) of this section and (B) the amount determined under  
24 subdivision (3)(c)(i)(B) of this section to the State Treasurer. The  
25 State Treasurer shall transfer the difference between the two certified  
26 amounts to the Cash Reserve Fund.

27 (iii) If the amount calculated under subdivision (3)(c)(i)(A) of  
28 this section is a positive number but the amount calculated under  
29 subdivision (3)(c)(i)(B) of this section is a negative number, the Tax  
30 Commissioner shall certify the amount determined under subdivision (3)(c)  
31 (i)(A) of this section to the State Treasurer and the State Treasurer

1 shall transfer such certified amount to the Cash Reserve Fund.

2 (4)(a) Within fifteen days after the end of fiscal year 2023-24 and  
3 each fiscal year thereafter, the Tax Commissioner shall determine the  
4 following:

5 (i) Actual General Fund net receipts for the most recently completed  
6 fiscal year minus estimated General Fund net receipts for such fiscal  
7 year as certified pursuant to sections 77-4601 and 77-4603; and

8 (ii) Fifty percent of the product of actual General Fund net  
9 receipts for the most recently completed fiscal year times the difference  
10 between the annual percentage increase in the actual General Fund net  
11 receipts for the most recently completed fiscal year and the average  
12 annual percentage increase in the actual General Fund net receipts over  
13 the twenty previous fiscal years, excluding the year in which the annual  
14 percentage change in actual General Fund net receipts is the lowest.

15 (b) If the number determined under subdivision (4)(a)(i) of this  
16 section is a positive number, the Tax Commissioner shall immediately  
17 certify the greater of the two numbers determined under subdivision (4)  
18 (a) of this section to the director. The State Treasurer shall transfer  
19 the certified amount from the General Fund to the Cash Reserve Fund upon  
20 certification by the director of such amount. The transfer shall be made  
21 according to the following schedule:

22 (i) An amount equal to the amount determined under subdivision (4)  
23 (a)(i) of this section shall be transferred immediately; and

24 (ii) The remainder, if any, shall be transferred by the end of the  
25 subsequent fiscal year.

26 (c) If the transfer required under subdivision (4)(b) of this  
27 section causes the balance in the Cash Reserve Fund to exceed sixteen  
28 percent of the total budgeted General Fund expenditures for the current  
29 fiscal year, such transfer shall be reduced so that the balance of the  
30 Cash Reserve Fund does not exceed such amount.

31 (d) Nothing in this subsection prohibits the balance in the Cash

1 Reserve Fund from exceeding sixteen percent of the total budgeted General  
2 Fund expenditures each fiscal year if the Legislature determines it  
3 necessary to prepare for and respond to budgetary requirements which may  
4 include, but are not limited to, capital construction projects and  
5 responses to emergencies.

6 Sec. 2. Section 77-4603, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 77-4603 (1) If an estimate of General Fund net receipts is changed  
9 in a regular or extraordinary meeting of the Nebraska Economic  
10 Forecasting Advisory Board and such change results in a special session  
11 of the Legislature to revise current fiscal year General Fund  
12 appropriations, the Tax Commissioner and the Legislative Fiscal Analyst  
13 shall certify the monthly receipt estimates, taking into consideration  
14 the most recent estimate of General Fund net receipts made by the  
15 Nebraska Economic Forecasting Advisory Board plus legislation enacted  
16 which has an impact on receipts that was not included in the forecast.  
17 The new monthly certification shall be made by the fifteenth day of the  
18 month following the adjournment of the special session of the  
19 Legislature.

20 (2) If an estimate of General Fund net receipts is reduced in a  
21 regular or extraordinary meeting of the Nebraska Economic Forecasting  
22 Advisory Board, the Tax Commissioner and the Legislative Fiscal Analyst  
23 shall recertify the monthly receipt estimates, taking into consideration  
24 the most recent estimate of General Fund net receipts made by the  
25 Nebraska Economic Forecasting Advisory Board plus legislation enacted  
26 which has an impact on receipts that was not included in the forecast.  
27 The new monthly certification shall be made by the fifteenth day of the  
28 month following the meeting of the Nebraska Economic Forecasting Advisory  
29 Board.

30 (3) The new certified annual and monthly receipt estimates shall be  
31 used for the public statements required under subsection (2) of section

1 77-4602.

2       Sec. 3.   Original section 77-4603, Reissue Revised Statutes of  
3 Nebraska, and section 77-4602, Revised Statutes Cumulative Supplement,  
4 2020, are repealed.